

# The Daily Dispatch

July 26, 2017  
TODAY'S TOP NEWS

## Cagayan airport to launch int'l flights in August

The Cagayan North International Airport (CNIA) is set to launch its maiden international flight on August 23, an official said. Administrator Jose Marie Ponce, outgoing Cagayan Economic Zone Authority (CEZA), said the airport in Lal-lo town will initially cater to two flights to and from Macau and China on a daily basis.

## BPI launches microfinance bank to target entreps

Ayala-led Bank of the Philippine Islands (BPI) launched a microfinance bank to target an emerging and underserved sector of the market in the name of financial inclusion. The new microfinance bank, called BPI Direct BanKo, was born out of the merger of BPI Direct and BPI Globe BanKo.

## Asean firms win bid to supply rice to Philippines

Six companies from Southeast Asia will likely supply the 250,000 metric tons (MT) of rice as part of the planned government to private sector (G2P) importation scheme to boost the country's dwindling buffer stock.

## DOF sees swift Senate OK of tax plan

The Department of Finance (DOF) remains optimistic the tax reform bill will swiftly get the approval of the Senate following President Duterte's appeal for the urgent passage of the measure during his second State of the Nation Address (SONA) last Monday.

## Bank of Taiwan opening liaison office in PH

State-run Bank of Taiwan is establishing a representative office in the Philippines amid the country's robust macroeconomic fundamentals. Representative offices are liaison offices of foreign banks dealing directly with the public by promoting and giving information about the services offered by the foreign bank.

## Philippine Stock Market Update



**Previous Close:**

7,788.06

**1 Yr Return:**

1.04%

**Open:**

7,774.91

**YTD Return:**

13.31%

**52-Week Range:**

6,499.00 - 8,118.44

**Source:**

Bloomberg

## Foreign Exchange

As of July 25, 2017

US Dollar	Philippine Peso
1	50.557

## PDST-R2 Rates

As of July 25, 2017

Tenor	Rate
1Y	2.8381
3Y	3.8818
5Y	4.1190
7Y	4.5000
10Y	4.9739
20Y	5.1645

## Daily Quote

"Opportunity is missed by most people because it is dressed in overalls and looks like work."

--Thomas Edison

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## MORE LOCAL NEWS

### BSP seen to raise rates in 4th quarter

The BSP is expected to adjust key rates higher in the last quarter of the year despite benign inflation which could have risen to its high of 3.4% in March and April. ING economist Cuyegkeng said that while they agree with market consensus, there is a chance that BSP may continue to hold rates due to a manageable inflation outlook.

### PHL told to pay Maynilad P3.42 billion

The Permanent Court of Arbitration (PCA) has sided with Maynilad Water Services Inc. over its case of tariff-rate increase the water concessionaire of the west side of Metro Manila should have implemented beginning 2013.

### Tata expands PH vehicle offerings

Tata Motors, India's largest commercial vehicle manufacturer, on Tuesday launched a new range of commercial vehicles in the Philippines. Tata Motors head of international business on commercial vehicles Rudrarup Maitra said the Philippines emerged as one of its key markets in Southeast Asia.

### Biz Buzz: BIR rift catches Duterte's attention

Now it can be told. The P45-billion deal to sell homegrown cigarette maker Mighty Corp. to Japan Tobacco Inc. nearly collapsed due to infighting at the Bureau of Internal Revenue (BIR). There are two factions at the government's top revenue agency right now and these factions have been in place since the start of the Duterte administration.

### Gov't rejects bids for 20-year bonds as rates rise

THE GOVERNMENT rejected all bids for the reissued 20-year Treasury bonds (T-bond) it auctioned off yesterday due to weak investor demand amid offshore uncertainties and as the papers fetched higher rates.

## TODAY'S TOP ASIAN NEWS

### China early data show resilient economy

Earliest indicators show that China's economic engine is humming this summer. Confidence of small- and medium-sized companies rebounded in July, satellites are picking up increasing activity on the ground, sentiment of steel traders and producers has improved, while that of sales managers is at the highest level in more than two years.

### JPM: Korea earnings eclipse missiles for investors

North Korea's more frequent testing of its nuclear weapons and ballistic missiles is failing to dissuade global investors from pouring into South Korea, amid optimism about earnings growth, according to JPMorgan Chase & Co.

### China Merchant Port to invest in Sri Lanka's Port

State-owned China Merchant Port Holdings is investing up to a US\$1.12 billion to develop, manage and operate Sri Lanka's Hambantota Port, close to the world's busiest shipping lanes, in a revised agreement with the Colombo government.

### Over half of Q2 global fintech funding is in Asia

Driven by a mega \$1.4 billion investment by Softbank, Asia surpassed the US to account for over half of the funding raised by venture-backed financial technology (fintech) firms in the second quarter of 2017.

### Petronas scraps \$29b western Canada LNG project

Malaysian state-owned energy company Petronas will not proceed with a proposed C\$36 billion (\$29 billion) liquefied natural gas (LNG) project in western Canada due to weak global prices, dealing a blow to Canada's ambitions to become a global LNG player.

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## MORE ASIAN NEWS

### SG investors stuck as bond restructuring drags on

Mr Keith Kueh was expecting Pacific Andes Resources Development to pay back the company's bonds last year so he could finance his son's university bill and his own retirement. Now it is 18 months after the Singapore-listed fishing company did not honour some obligations and he has not got his money yet.

### Elon Musk, Zuckerberg trade barbs over AI

It's rare for Facebook Inc. Chief Executive Officer Mark Zuckerberg to interact publicly with other moguls online. When he does, it's usually friendly and choreographed. But with Elon Musk, the CEO of Tesla and Space Exploration Technologies Corp., it hasn't been as cordial.

### Shell, SoftBank among potential suitors for Equis

Royal Dutch Shell and SoftBank are among several global groups considering bidding for Equis Energy, Asia's largest independent renewable energy producer valued at up to \$5 billion, sources familiar with the matter said.

### Michael Kors to buy luxury shoemaker Jimmy Choo

U.S. retailer Michael Kors has agreed to buy luxury shoemaker Jimmy Choo for \$1.2 billion, snapping up a British brand launched in the east end of London and made famous by celebrity fans including Princess Diana.

### Greece sells €3B in bonds: oversubscribed

Just over three years after Greece "triumphantly returned" to capital markets in April 2014, when it issued €3 billion in 5 year bonds at a yield of 4.95%, and a cash coupon of 4.75%, Greece once again returned to the bond market, if far less triumphantly, by selling another €3 billion in 5 year paper which however was "only" 2x oversubscribed.

### Bolivia declares "independence" from WB & IMF

Bolivia's President Evo Morales has been highlighting his government's independence from international money lending organizations and their detrimental impact the nation, the Telesur TV reported.

## TODAY'S TOP GLOBAL NEWS

### Is Venezuela in danger of becoming another Syria?

You may recall this bizarre incident that occurred last month in Venezuela. It was without a doubt, the strangest moment to come out of that nation's ongoing civil unrest. But this brazen attack isn't just odd. In fact, it may portend something much more serious that is simmering under the surface of Venezuela's slow motion social collapse.

### Michael Kors buys Jimmy Choo for £900 million

US fashion brand Michael Kors on Tuesday agreed to buy British shoemaker to the stars Jimmy Choo for almost £900 million (\$1.2 billion, 1.0 billion euros). Jimmy Choo — whose celebrity fans include Beyonce, Lady Gaga, Nicole Kidman and Kate Middleton — is the "ideal partner" for the US handbag and clothing maker, it said in a statement.

### Airbus A380 to hinge on Emirates Airlines' order

AIRBUS SE is working on vital sales campaigns aimed at extending the life of its flagship A380 superjumbo, with outgoing Marketing Chief John Leahy seeking to secure orders by the Dubai Air Show in November, people familiar with the matter said.

## Economic Calendar

Date	Release
07.17.2017	PH: Overseas Remittances YoY
07.19.2017	PH: BoP Overall
07.30.2017	PH: Money Supply M3 SRF YoY
07.30.2017	PH: Bank Lending YoY
07.31.2017	PH: Nikkei Philippines PMI Mfg

Source: Bloomberg Economic Calendar